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SENATE

REPORT
99-43

AUTHORIZING APPROPRIATIONS FOR THE FEDERAL ELECTION COMMISSION FOR FISCAL YEAR 1986

MAY 9 (legislative day, APRIL 15), 1985.—Ordered to be printed

Mr. MATHIAS, from the Committee on Rules and Administration, submitted the following

REPORT

[To accompany S. 1117]

The Committee on Rules and Administration, having considered an original bill (S. 1117) to authorize appropriations for the Federal Election Commission for fiscal year 1986, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1986, in the amount of $12,605,000. The Commission's appropriated funds for fiscal year 1985 amounted to $12,900,000, of which $1,155,000 was designated to be used only for relocation and resulting increased rental charges. If moving expenses as well as one-time computer re-procurement costs totalling approximately $965,000 are deducted from the fiscal year 1985 appropriation, in real terms, this authorization bill represents an increase of about 5.6 percent over fiscal year 1985 funds.

The Commission estimated its base budget for fiscal year 1986 at $12,605,000. It however has requested the amount calculated by the Office of Management and Budget as a base budget—$12,756,000. The Office of Management and Budget has recommended that the Commission be funded at the level of $12,433,000, a figure derived by reducing OMB's base budget estimate to reflect a proposed government-wide five percent pay cut.

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COMMITTEE ACTION

At a hearing held on May 2, 1985, the Committee on Rules and Administration received testimony from Commission witnesses on the agency's fiscal year 1986 budget authorization request. The Commission by statute submits its budget both to the Congress and to the OMB. In prior years the Commission on occasion has pursued its initial budget request in spite of leaner recommendations by OMB. In testimony before the Committee, the Vice-Chairman of the FEC testified that the Commission is prepared this year to accept OMB's recommendation of $12,433,000, provided the underlying assumption of a salary reduction proves valid. The Commission now is seeking, however, the amount calculated by OMB as a base budget for fiscal year 1986—$12,756,000.

For its expanded or "agency" request of $13,130,000, the Commission outlined six additional projects at an estimated cost of $530,000. Commission witnesses noted that the FEC is not pursuing this level of funding for fiscal year 1986. With the exception noted below, the Committee's authorization does not make specific provision for any of the programs or activities outlined in the Commission's expanded budget request.

The Committee believes that the FEC base level budget estimate of $12,605,000 represents an adequate level of funding and will enable the Commission to provide in fiscal year 1986 a level of services comparable to fiscal year 1985. The Committee believes the base level amount authorized also will permit the Commission to carry out fully its responsibilities under the Voting Accessibility and Handicapped Act. The FEC is required under the Act to compile reports received from the various states on the number of accessible and inaccessible polling places and to report that information to the Congress. This project was one of the six programs outlined under its "enhanced" request for which the Commission sought additional funding. The Commission specifically requested $50,000 for staff and travel expenses to carry out its duties under the Act. Commission witnesses testified at the hearing that the Commission would make every effort to carry out this new responsibility even if special funds were not recommended for this purpose. The Committee is of the opinion that the funds provided are sufficient to permit the Commission to discharge its responsibilities under the Act.

Commission witnesses indicated that the Commission's planned relocation from its current offices at 1325 K Street N.W., expected to take place earlier in the current fiscal year, has been delayed. At the earliest, the move is anticipated in September. The new offices of the Commission will be at 999 E Street N.W. Funds specifically designated for moving and increased rental costs in last year's authorization and appropriation bills are being accounted for separately. Commission witnesses said any money not needed for these purposes will be returned to Treasury.

In particular, the Committee notes that space rental charges, for which the Commission estimated an increase at its current location and a dramatic increase following the relocation, probably will not increase in the current fiscal year. Although approximately $1,100,000 was budgeted for space rental during the current fiscal

year, only about $600,000 will be used for that purpose. The Commission's rent at its present location has been frozen by GSA at $600,000 and a higher rent at the new location is unlikely to take effect until fiscal year 1986. In view of the Commission's assurances both this year and last year during authorization hearings, the Committee expects that substantially all of the excess funds budgeted for space rental charges will be refunded to the Treasury.

Until GSA advises the Commission of the exact number of square feet at their new location, the FEC will not know precisely the amount of the coming year's space rental costs. Their budget request projects $1,542,000, more than a 157% increase over current actual rental costs and 40% above planned rental expenses in FY 1985. Rent reflects the largest increase in the Commission's budget. Next in line are personnel costs which would rise in excess of 3% from $8,288,190 to $8,600,000.

In authorizing appropriations for fiscal year 1985 in an amount greater than the base level estimate, the Committee in its report indicated approval of two specific projects for which the Commission had requested a specified level of funding. One project has not been carried out at all and the other has not been fully undertaken. Since last year's authorization bill was not enacted into law, the Commission may have been prompted by other considerations to reconsider those projects and reallocate funds for other purposes, primarily personnel costs. In the future, when the FEC requests funds for particular projects, the Committee may adopt a policy of making specific authorizations for these programs or activities, in order to make clear the Committee's understanding of how requested funds are to be allocated.

The Committee takes note and is appreciative of the Commission's straightforward presentation of this year's budget request and of the assurances given by the Commission that it intends to return to the Treasury any funds designated for moving expenses and increased rent that will not be expended for these purposes in the current fiscal year.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the estimate of costs of this measure prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act, is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 1985.

Hon. CHARLES MCC. MATHIAS, Jr.,
Chairman, Committee on Rules and Administration,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the Federal Election Commission for fiscal year 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

JAMES BLUM
(For Rudolph G. Penner, Director).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: Not yet assigned.
2. Bill title: A bill to authorize appropriations for the Federal Election Commission for fiscal year 1986.
3. Bill status: As ordered reported by the Senate Committee on Rules and Administration, May 8, 1985.
4. Bill purpose: The bill authorizes the appropriation of $12.6 million to the Federal Election Commission for fiscal year 1986. The 1985 appropriation is currently $12.9 million, and the President has requested $12.4 million for 1986.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Authorization level	12.6				
Estimated outlays	11.0	1.6			

Including outlays from prior years' appropriations to date, total outlays in 1986 would be $12.7 million, assuming appropriation of the authorized amount.

The costs of this bill fall within budget function 800.

Basis of estimate: This estimate assumes the amount authorized will be appropriated. The estimate of outlays is based on historical spending patterns.

6. Estimated cost to State and local governments: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: James Hearn.
10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the regulatory impact which would be incurred in carrying out the bill is as follows (supplied by the Federal Election Commission):

FEDERAL ELECTION COMMISSION,
Washington, DC, April 29, 1985.

Hon. CHARLES MCC. MATHIAS, JR.,
Chairman, Committee on Rules and Administration,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter on behalf of the Committee requesting information in connection with consideration of the Federal Election Commission's Fiscal Year 1986 authorization request. Enclosed are responses to four questions dealing with the regulatory impact of Commission activities.

Sincerely,

JOHN WARREN MCGARRY,
Chairman.

Enclosure.

Question. An estimate of the number of individuals and businesses to be regulated by the Commission, and a determination of the groups and classes of such individuals and businesses.

Answer. The Commission regulates seven categories of persons and political committees: Presidential candidates and committees; candidates and committees engaged in races for House and Senate seats; party-related committees; non-party related political committees; individuals or committees making independent expenditures; delegates and delegate committees; and persons making expenditures for communication costs. The table which follows indicates the number of filers in each category, the number of reports and statements filed by each, and the gross receipts and expenditures for the period covering calendar year 1984.

SUMMARY OF DISCLOSURE FILES

	Total filers existing in 1984	Filers terminated as of Dec. 31, 1984	Continuing filers as of Dec. 31, 1984	Number of reports and statements in 1984	Gross receipts in 1984 (dollars)	Gross expenditures in 1984 (dollars)
Presidential	504	48	456	1,654	198,606,285	196,402,032
Candidates	269	21	248			
Committees	235	27	208			
Senate	1,118	185	933	3,809	148,503,199	158,933,596
Candidates	695	126	569			
Committees	423	59	364			
House	5,406	1,123	4,283	22,226	184,036,633	178,406,592
Candidates	3,410	826	2,584			
Committees	1,996	297	1,699			
Party	588	48	540	4,306	407,661,880	433,178,329
National level committees	37	3	34			
State level committees	154	7	147			
Local level committees	387	38	349			
Convention committees	10	0	10			
Delegates	158	1	157	504	825,637	800,657
Nonparty	4,182	173	4,009	32,953	184,890,817	197,318,628
Labor committees	416	22	394			
Corporate committees	1,741	59	1,682			
Membership trade, and other committees	2,025	92	1,933			
Communication cost filers	120	NA	NA	227	NA	6,134,103
Independent expenditures by persons other than political committees	163	NA	NA	291	NA	1,355,824

Question. The Commission's opinion as to the economic impact of such regulations on the individuals, consumers and business affected.

Answer. The Act is so specific in its requirements that the major economic impact on affected individuals and organizations is directly imposed by the Act, not the implementing regulations.

Question. The Commission's opinion of the impact on the personal privacy of the individuals affected.

Answer. Because a purpose of the Federal Election Campaign Act is to provide for the disclosure of contributions and expenditures made in campaigns for Federal office, there is obviously some impact on privacy. Congress felt that this slight impact on privacy was warranted in order to promote the policy of disclosure. Again, it is the Act, rather than implementing regulations, which produces this result.

Question. A determination of the amount of additional paperwork that will result from regulations to be promulgated by the Commission during Fiscal Year 1986. This determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the authorization request could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the authorization.

Answer. In late FY 1984 and thus far in FY 1985, the Commission promulgated revised regulations regarding the following:

—Rehabilitation Act;

—FOIA and Public Disclosure (fee schedules);

—Nominating Conventions.

The following proposed regulations are now pending before Congress:

—Testing the Waters;

—Repayments by Publicly Financed Candidates.

The Commission continues to place high priority upon the reduction of unnecessary paperwork. A major goal of these revised regulations is reduction of the burden of these regulated by the Act. For FY 1986, the Commission is again seeking resources to undertake a systematic review of its regulations.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, S. 1117, as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

Section 439c of Title 2, United States Code

SECTION 439c. AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of title 26, not to exceed $5,000,000 for the fiscal year ending June 30, 1975. There are authorized to be appropriated

to the Commission $6,000,000 for the fiscal year ending June 30, 1976, $1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $6,000,000 for the fiscal year ending September 30, 1977, $7,811,500 for the fiscal year ending September 30, 1978, [and] $9,400,000 for the fiscal year ending September 30, 1981, *and $12,605,000 for the fiscal year ending September 30, 1986.*

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